

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT  
OF  
EAST GIBSON SCHOOL CORPORATION  
GIBSON COUNTY, INDIANA  
July 1, 2004 to June 30, 2006



**FILED**  
03/14/2007



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## OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Superintendent of Schools	Lynn E. Blinzinger	07-01-04 to 06-30-07
Treasurer	Diana L. Broshears	07-01-04 to 06-30-07
President of the School Board	Michael B. McConnell Roger F. Sermersheim Karen Cox	01-01-04 to 12-31-04 01-01-05 to 12-31-06 01-01-07 to 12-31-07



# STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

## INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE EAST GIBSON SCHOOL CORPORATION, GIBSON COUNTY, INDIANA

We have examined the financial information presented herein of the East Gibson School Corporation (School Corporation) for the period of July 1, 2004 to June 30, 2006. The School Corporation's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the School Corporation for the years ended June 30, 2005 and 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Funding Progress, Schedule of Capital Assets, and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not a required part of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information, and accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

February 14, 2007

EAST GIBSON SCHOOL CORPORATION  
STATEMENT OF CASH AND INVESTMENTS  
June 30, 2005

<u>Assets</u>	<u>Governmental Activities</u>
Current assets:	
Cash and investments	\$ 2,647,306
Restricted assets:	
Cash and investments	<u>199,432</u>
Total assets	<u>\$ 2,846,738</u>
 <u>Net Assets</u>	
Restricted for:	
Debt service	\$ 199,432
Unrestricted	<u>2,647,306</u>
Total net assets	<u>\$ 2,846,738</u>

The accompanying notes are an integral part of the financial statements.

EAST GIBSON SCHOOL CORPORATION  
STATEMENT OF CASH AND INVESTMENTS  
June 30, 2006

<u>Assets</u>	<u>Governmental Activities</u>
Current assets:	
Cash and investments	\$ 2,670,310
Restricted assets:	
Cash and investments	<u>137,930</u>
Total assets	<u>\$ 2,808,240</u>
 <u>Net Assets</u>	
Restricted for:	
Debt service	\$ 137,930
Unrestricted	<u>2,670,310</u>
Total net assets	<u>\$ 2,808,240</u>

The accompanying notes are an integral part of the financial statements.

EAST GIBSON SCHOOL CORPORATION  
STATEMENT OF CASH ACTIVITIES  
For the Year Ended June 30, 2005

Functions/Programs	Disbursements	Program Receipts		Net (Disbursement) Receipts
		Charges for Services	Operating Grants and Contributions	Total
Governmental activities:				
Instruction	\$ 3,601,348	\$ -	\$ 62,964	\$ (3,538,384)
Support services	4,348,691	247,945	99,185	(4,001,561)
Community services	14,096	-	-	(14,096)
Nonprogrammed charges	719,979	-	-	(719,979)
Debt service	<u>2,029,663</u>	<u>-</u>	<u>-</u>	<u>(2,029,663)</u>
Total governmental activities	<u>\$ 10,713,777</u>	<u>\$ 247,945</u>	<u>\$ 162,149</u>	<u>(10,303,683)</u>
General receipts:				
Property taxes				5,731,235
Other local sources				805,235
State aid				4,330,574
Grants and contributions not restricted				261,907
Bonds and loans				475,878
Sale of property, adjustments, and refunds				63,687
Investment earnings				29,476
Intergovernmental transfers				<u>612,655</u>
Total general receipts and intergovernmental transfers				<u>12,310,647</u>
Change in cash and investments				2,006,964
Net assets - beginning				<u>839,774</u>
Net assets - ending				<u>\$ 2,846,738</u>

The accompanying notes are an integral part of the financial statements.



EAST GIBSON SCHOOL CORPORATION  
STATEMENT OF CASH ACTIVITIES  
For the Year Ended June 30, 2006

Functions/Programs	Disbursements	Program Receipts		Net (Disbursement) Receipts
		Charges for Services	Operating Grants and Contributions	Total
Governmental activities:				
Instruction	\$ 3,760,357	\$ -	\$ 12,300	\$ (3,748,057)
Support services	4,518,364	235,731	121,434	(4,161,199)
Community services	13,109	-	-	(13,109)
Nonprogrammed charges	651,169	-	-	(651,169)
Debt service	1,688,040	-	-	(1,688,040)
Total governmental activities	<u>\$ 10,631,039</u>	<u>\$ 235,731</u>	<u>\$ 133,734</u>	<u>(10,261,574)</u>
General receipts:				
Property taxes				4,049,841
Other local sources				579,753
State aid				4,569,085
Grants and contributions not restricted				246,736
Bonds and loans				274,071
Sale of property, adjustments, and refunds				276,655
Investment earnings				62,436
Intergovernmental transfers				<u>164,499</u>
Total general receipts and intergovernmental transfers				<u>10,223,076</u>
Change in cash and investments				(38,498)
Net assets - beginning				<u>2,846,738</u>
Net assets - ending				<u>\$ 2,808,240</u>

The accompanying notes are an integral part of the financial statements.

EAST GIBSON SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
GOVERNMENTAL FUNDS  
For The Year Ended June 30, 2005

	General	Transportation Operating	Rainy Day	Debt Service	Capital Projects	Other	Totals
Receipts:							
Local sources	\$ 3,375,744	\$ 916,652	\$ -	\$ 1,324,054	\$ 778,803	\$ 413,079	\$ 6,808,332
Intermediate sources	5,109	-	-	-	-	450	5,559
State sources	4,453,789	-	-	-	-	31,583	4,485,372
Federal sources	3,343	-	-	-	-	268,383	271,726
Bonds and loans	255,089	220,789	-	-	-	-	475,878
Sale of property, adjustments and refunds	60,890	-	-	-	100	229	61,219
Intergovernmental transfers	323,881	-	261,000	-	-	27,774	612,655
Total receipts	<u>8,477,845</u>	<u>1,137,441</u>	<u>261,000</u>	<u>1,324,054</u>	<u>778,903</u>	<u>741,498</u>	<u>12,720,741</u>
Disbursements:							
Current:							
Instruction	3,495,619	-	-	-	-	105,729	3,601,348
Support services	2,661,363	681,329	-	30	617,963	388,006	4,348,691
Community services	4,400	-	-	-	-	9,696	14,096
Nonprogrammed charges	596,482	-	-	-	18,000	105,497	719,979
Debt services	502,854	272,669	-	1,254,140	-	-	2,029,663
Total disbursements	<u>7,260,718</u>	<u>953,998</u>	<u>-</u>	<u>1,254,170</u>	<u>635,963</u>	<u>608,928</u>	<u>10,713,777</u>
Excess of total receipts over total disbursements	1,217,127	183,443	261,000	69,884	142,940	132,570	2,006,964
Cash and investments - beginning	<u>555,397</u>	<u>15,399</u>	<u>-</u>	<u>40,168</u>	<u>156,766</u>	<u>72,044</u>	<u>839,774</u>
Cash and investments - ending	<u>\$ 1,772,524</u>	<u>\$ 198,842</u>	<u>\$ 261,000</u>	<u>\$ 110,052</u>	<u>\$ 299,706</u>	<u>\$ 204,614</u>	<u>\$ 2,846,738</u>

The accompanying notes are an integral part of the financial statements.

EAST GIBSON SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
GOVERNMENTAL FUNDS  
For The Year Ended June 30, 2006

	General	Transportation Operating	Rainy Day	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:								
Local sources	\$ 2,372,104	\$ 671,315	\$ 6,873	\$ 910,867	\$ 533,594	\$ 2,668	\$ 422,149	\$ 4,919,570
Intermediate sources	7,588	-	-	-	-	-	600	8,188
State sources	4,611,617	-	-	-	-	-	33,197	4,644,814
Federal sources	12,538	-	-	-	-	-	293,638	306,176
Bonds and loans	-	274,071	-	-	-	-	-	274,071
Sale of property, adjustments and refunds	267,246	1,844	-	-	36	-	6,097	275,223
Intergovernmental transfers	48,003	48,000	-	-	-	-	68,496	164,499
Total receipts	<u>7,319,096</u>	<u>995,230</u>	<u>6,873</u>	<u>910,867</u>	<u>533,630</u>	<u>2,668</u>	<u>824,177</u>	<u>10,592,541</u>
Disbursements:								
Current:								
Instruction	3,633,151	-	-	-	-	-	127,206	3,760,357
Support services	2,695,741	750,258	43,500	36	601,463	-	427,366	4,518,364
Community services	3,200	-	-	-	-	-	9,909	13,109
Nonprogrammed charges	539,587	48,000	-	-	-	-	63,582	651,169
Debt services	261,245	274,071	-	885,038	-	-	267,686	1,688,040
Total disbursements	<u>7,132,924</u>	<u>1,072,329</u>	<u>43,500</u>	<u>885,074</u>	<u>601,463</u>	<u>-</u>	<u>895,749</u>	<u>10,631,039</u>
Excess (deficiency) of total receipts over (under) total disbursements	186,172	(77,099)	(36,627)	25,793	(67,833)	2,668	(71,572)	(38,498)
Cash and investments - beginning	<u>1,772,522</u>	<u>198,842</u>	<u>261,000</u>	<u>110,052</u>	<u>299,706</u>	<u>-</u>	<u>204,616</u>	<u>2,846,738</u>
Cash and investments - ending	<u>\$ 1,958,694</u>	<u>\$ 121,743</u>	<u>\$ 224,373</u>	<u>\$ 135,845</u>	<u>\$ 231,873</u>	<u>\$ 2,668</u>	<u>\$ 133,044</u>	<u>\$ 2,808,240</u>

The accompanying notes are an integral part of the financial statements.

EAST GIBSON SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN CASH AND INVESTMENTS  
FIDUCIARY FUNDS  
For The Year Ended June 30, 2005

	Pension Trust Funds	Private-Purpose Trust Funds
Additions:		
Local sources	\$ -	\$ 11,500
Bonds and loans	1,850,000	-
Sale of property, adjustments and refunds	163	-
Transfers	<u>303,743</u>	<u>3,000</u>
Total additions	<u>2,153,906</u>	<u>14,500</u>
Deductions:		
Instruction	-	10,844
Support services	1,352,516	269
Nonprogrammed charges	<u>565,144</u>	<u>3,010</u>
Total deductions	<u>1,917,660</u>	<u>14,123</u>
Excess of total additions over total deductions	236,246	377
Cash and investments - beginning	<u>-</u>	<u>11,165</u>
Cash and investments - ending	<u>\$ 236,246</u>	<u>\$ 11,542</u>

The accompanying notes are an integral part of the financial statements.

EAST GIBSON SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN CASH AND INVESTMENTS  
FIDUCIARY FUNDS  
For The Year Ended June 30, 2006

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>
Additions:		
Local sources	\$ -	\$ 662
State sources	<u>-</u>	<u>262</u>
Total additions	<u>-</u>	<u>924</u>
Deductions:		
Instruction	-	3,399
Support services	137,285	70
Nonprogrammed charges	<u>-</u>	<u>5</u>
Total deductions	<u>137,285</u>	<u>3,474</u>
Deficiency of total additions under total deductions	(137,285)	(2,550)
Cash and investments - beginning	<u>236,246</u>	<u>11,542</u>
Cash and investments - ending	<u><u>\$ 98,961</u></u>	<u><u>\$ 8,992</u></u>

The accompanying notes are an integral part of the financial statements.

EAST GIBSON SCHOOL CORPORATION  
STATEMENT OF CASH AND INVESTMENTS  
FIDUCIARY FUNDS  
June 30, 2005

<u>Assets</u>	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>
Cash and investments	<u>\$ 236,246</u>	<u>\$ 11,542</u>
<u>Net Assets</u>		
Held in trust for employee benefits and other purposes	<u>\$ 236,246</u>	<u>\$ 11,542</u>

The accompanying notes are an integral part of the financial statements.

EAST GIBSON SCHOOL CORPORATION  
STATEMENT OF CASH AND INVESTMENTS  
FIDUCIARY FUNDS  
June 30, 2006

<u>Assets</u>	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>
Cash and investments	\$ 98,961	\$ 8,992
<u>Net Assets</u>		
Held in trust for employee benefits and other purposes	\$ 98,961	\$ 8,992

The accompanying notes are an integral part of the financial statements.

EAST GIBSON SCHOOL CORPORATION  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

School Corporation, as used herein, shall include, but is not limited to, school townships, school towns, school cities, consolidated school corporations, joint schools, metropolitan school districts, township school districts, county schools, united schools, school districts, cooperatives, educational service centers, community schools, community school corporations, and charter schools.

The School Corporation was established under the laws of the State of Indiana. The School Corporation operates under a Board of School Trustees form of government and provides educational services.

Note 2. Fund Accounting

A. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Cash and Investments and the Statement of Cash Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. However, there are no business-type activities to report at this time.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. However, at this time, the School Corporation has not established any enterprise funds.

The School Corporation reports the following major governmental funds:

The general fund is the primary operating fund and accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The transportation operating fund accounts for financial resources for the transportation of school children to and from school.

The rainy day fund is to account for transfers of unused and unencumbered funds in accordance with Indiana Code 36-1-8-5 and a locally adopted resolution. The fund is subject to the same appropriation process as funds that receive tax money.

The debt service fund accounts for debt from funds borrowed or advanced for the purchase or lease of school buildings, school buses, judgments against the corporation, equipment or capital construction, and interest on emergency and temporary loans.



EAST GIBSON SCHOOL CORPORATION  
NOTES TO FINANCIAL INFORMATION  
(Continued)

The capital projects fund accounts for planned construction, repair, replacement or remodeling; and the purchase, lease, upgrade, maintenance, or repair of computer equipment.

The school bus replacement fund is used to account for receipts and disbursements concerning the acquisition and disposal of school buses.

Additionally, the School Corporation reports the following fund types:

The pension trust funds account for the activities of the retirement/severance bonds, which accumulate resources for pension benefit payments.

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the individuals residing within the school corporation district limits.

**B. Measurement Focus and Basis of Accounting**

The government-wide, governmental fund, and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The cash and investment basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash rather than when earned and disbursements are recognized when paid rather than when a liability is incurred. Investment transactions are not presented on the financial statements.

If the School Corporation utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the enterprise fund statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to this same limitation. The School Corporation has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to people outside the government (enterprise funds) or other departments or agencies primarily within the government (internal service funds). The School Corporation does not have any proprietary funds.

When both restricted and unrestricted resources are available for use, the School Corporation's policy is to use restricted resources first, then unrestricted resources as they are needed.

EAST GIBSON SCHOOL CORPORATION  
NOTES TO FINANCIAL INFORMATION  
(Continued)

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to June 30 of the year collected.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the School Corporation to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 6. Interfund Transfers

Interfund transfers for the years ended June 30, 2005 and 2006, were as follows:

Transfer From	Transfer To	2005	2006
General Fund	Transportation Operating	\$ -	\$ 48,000
General Fund	Rainy Day	261,000	-
General Fund	Nonmajor governmental	-	32,249
Transportation Operating	General Fund	-	48,000
Capital Projects	General Fund	18,000	-
Nonmajor governmental	General Fund	44,469	-
Nonmajor governmental	Nonmajor governmental	27,774	36,247
All others	General Fund	261,412	3
Totals		<u>\$ 612,655</u>	<u>\$ 164,499</u>

The School Corporation typically uses transfers for cash flow purposes according to various statutes.

EAST GIBSON SCHOOL CORPORATION  
NOTES TO FINANCIAL INFORMATION  
(Continued)

Note 7. Pension Plans

Public Employees' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund  
Harrison Building, Room 800  
143 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

Teacher's Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Teacher's Retirement Fund (TRF), a defined benefit pension plan. TRF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All employees engaged in teaching or in the supervision of teaching in the public schools of the State of Indiana are eligible to participate in TRF. State statute (IC 5-10.2) governs, through the TRF Board, most requirements of the system, and gives the School Corporation authority to contribute to the plan. The TRF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The School Corporation may elect to make the contributions on behalf of the member.

TRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

EAST GIBSON SCHOOL CORPORATION  
NOTES TO FINANCIAL INFORMATION  
(Continued)

Teacher's Retirement Fund  
150 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 232-3860

Funding Policy and Annual Pension Cost

The School Corporation contributes the employer's share to TRF for certified employees employed under a federally funded program and all the certified employees hired after July 1, 1995. The School Corporation currently receives partial funding, through the school funding formula, from the State of Indiana for this contribution. The employer's share of contributions for certified personnel who are not employed under a federally funded program and were hired before July 1, 1995, is considered to be an obligation of, and is paid by, the State of Indiana.

EAST GIBSON SCHOOL CORPORATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-03	\$ 811,605	\$ 857,734	\$ (46,129)	95%	\$ 791,377	(6%)
07-01-04	833,567	952,564	(118,997)	88%	842,894	(14%)
07-01-05	879,863	1,063,560	(183,697)	83%	929,843	(20%)

EAST GIBSON SCHOOL CORPORATION  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF CAPITAL ASSETS  
June 30, 2006

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 446,000
Buildings	11,834,831
Improvements other than buildings	652,789
Machinery and equipment	<u>2,129,580</u>
Total governmental activities, capital assets not being depreciated	<u><u>\$ 15,063,200</u></u>

EAST GIBSON SCHOOL CORPORATION  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF LONG-TERM DEBT  
June 30, 2006

The School Corporation has entered into the following debt:

Description of Debt	Ending Balance	Due Within One Year
Governmental Activities:		
Capital leases:		
Barton Elementary School	\$ 365,000	\$ 365,000
Notes and loans payable	5,110,274	239,394
Bonds payable:		
General obligation bonds:		
Retirement/Severance	1,720,000	95,000
Baseball field	630,000	-
	<u>7,825,274</u>	<u>699,394</u>
Total governmental activities long-term debt	<u>\$ 7,825,274</u>	<u>\$ 699,394</u>

EAST GIBSON SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on February 14, 2007, with Lynn E. Blinzinger, Superintendent; and Diana L. Broshears, Treasurer. Our examination disclosed no material items that warrant comment at this time.